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8 UNITED STATES BANKRUPTCY COURT
9 EASTERN DISTRICT OF WASHINGTON
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11 KAIZEN PARTNERS LLC,

12 Plaintiff,

13 v.

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15 WATER STATION MANAGEMENT LLC, a
16 Washington Limited Liability Company and
17 CREATIVE TECHNOLOGIES LLC, a
18 Washington Limited Liability Company; and
19 RYAN R. WEAR and REBECCA A.
20 SWAIN, and the Marital Community
comprised thereof, and KEVIN NOONEY and
ELIZABETH NOONEY, and the Marital
Community comprised thereof,

21 Defendants.
22

Case No. 24-01864-fpc11
CHAPTER 11

ADVERSARY PROCEEDING

Adv. Proc. No.

COMPLAINT FOR
NON-DISCHARGEABILITY

[11 U.S.C. §523 AND §727]

23 COMES NOW Plaintiff Kaizen Partners LLC, (hereinafter "Plaintiff"), by and through
24 their attorneys of record, Marianne K. Jones, and alleging causes of action against Defendants,
25
26 Water Station Management LLC, Creative Technologies LLC, RYAN R. WEAR and
27 REBECCA A. SWAIN, and the Marital Community comprised thereof, and KEVIN NOONEY
28 and ELIZABETH NOONEY, and the Marital Community comprised thereof,

COMPLAINT –PAGE-1

ENRIGHT LAW APC
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Bellevue, WA 98005
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(hereinafter collectively referred to as “Defendants”), the causes of action stated herein and hereby states and alleges as follows:

1.0 PARTIES

1.1 Plaintiff, Kaizen Partners, LLC is a California Limited Liability Company that does business in the State of Washington.

1.2 Defendant, Water Station Management is a Washington Limited Liability Company that does business in the State of Washington and is headquartered in Everett, Washington.

1.3 Defendant, Creative Technologies LLC is a Washington Limited Liability Company that does business in the State of Washington and is headquartered in Everett, Washington.

1.4 Defendant Ryan R. Wear and Rebecca A. Swain at all material times were residents of Washington state and were principals in the entity Defendants Water Station Management and Creative Technologies, directing the actions of the entities and benefiting financially from the fraudulent practices of the entities.

1.5 Defendant Kevin Nooney and Elizabeth Nooney at all material times were residents of Washington state and were principals in the entity Defendants Water Station Management and Creative Technologies, directing the actions of the entities and benefiting financially from the fraudulent practices of the entities.

2.0 JURISDICTION AND VENUE

2.1 The jurisdiction of this court is based upon 28 U.S.C. §157 and § 1334 and GR 7 of the rules of the United States District Court Western District of Washington. This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2)(A), (I), (J) and (O).

3.0 FACTUAL SUMMARY

3.1 The Defendants acted in unison and are referred to as united throughout this factual summary. While some documents may have been entered into with one company or the other, and payment was made to one company or the other, and payments were received from one company or the other, the Defendants were all controlled by Wear and Nooney, and the entities acted in unison as one entity for the benefit of the individual defendants and their marital communities.

3.2 Plaintiff entered into a purchase agreement with Defendants on November 5, 2019, to purchase 10 vending machines for \$120,000.00. Plaintiff was to receive title to the vending machines however there were no title documents provided clearly showing title to the vending machines purchased was ever transferred or that the funds went toward the purchase of any specific machines.

3.3 Plaintiff entered into another purchase agreement with the Defendants on October 9, 2021, to purchase an additional 23 vending machines for \$160,00.00. Plaintiff was to receive title to the vending machines however there were no title documents provided clearly showing title to the vending machines purchased was ever transferred. There was some information provided which showed serial numbers for specific machines, but again, no title documents have been provided.

3.4 Plaintiff started collecting earnings on the vending machines purchased on November 5, 2019, in early 2020.

3.5 Plaintiff did not receive earnings nor information whether machines purchased on October 9, 2021, have been placed into service from Defendants. Thereafter, Plaintiff and Defendants agreed to enter into a "Refund Payment Agreement" wherein Plaintiff was to be

1 refunded \$280,000 of Plaintiff's original purchase. The payment due date was expected to be
2 April 30, 2023. However, Defendants failed to refund back any part of the \$280,000 until after
3 litigation was filed and then Defendants paid back \$60,000 of the amount to Plaintiff.
4

5 3.6 The \$220,000 is due and owing and has not been paid. Demand has been made on
6 Defendants to which Defendants have failed to respond and judgment against Defendant Water
7 Station Management has been obtained.

8 3.7 The Defendants induced Plaintiff to invest in unregistered securities and led
9 plaintiff to believe that Defendants would supply and service water machines for a share in the
10 profits. Defendants promised returns in the amount of 12-20% of the Plaintiff's investment
11 disbursed monthly. The agreements entered into between Plaintiff and Defendants were a
12 fraudulent inducement based upon a variety of false representations by Defendants to Plaintiff.
13

14 3.8 Defendants were part of and operating a Ponzi scheme where several investors
15 were allegedly purchasing the same equipment and obtaining returns on their investment from
16 other investors that were investing. The fraud was that the investors never obtained title to the
17 water machines that they were supposed to obtain title to and the investors never received actual
18 profits from the exact machines that they invested in. Rather, the Defendants fabricated amounts
19 of a monetary return for the investment to placate the investor, in this case Plaintiff, until the
20 Ponzi scheme did not work any longer. The Defendants further borrowed other money to use to
21 pay investors on their investments so that the Ponzi Scheme did not get identified sooner.
22
23

24 4.0 CAUSE OF ACTION

25 *As a first cause of action against Defendants, Plaintiff alleges as follows:*

26 (Non-Dischargeability Based Upon 11 U.S.C. § 523)

27 4.1 Plaintiff restates and realleges paragraphs 1.1 through 3.8 as if pled herein.
28

1 4.2 Plaintiff entered into Refund Payment Agreement with Defendants on April 4,
2 2023. The agreement entitled Plaintiff to a refund of \$280,000 in money that had previously paid
3 to Defendants by Plaintiff related to a vending machines business opportunity. The Refund
4 Payment Agreement anticipated a “closing” date of April 30, 2023, for payment. Defendants had
5 a duty to make that payment on or before April 30, 2023, or to negotiate a different closing date.
6

7 4.3 No payment has occurred from Defendants to Plaintiff in any amount related to
8 the Refund Payment Agreement; therefore, Defendants is in breach of the Refund Payment
9 Agreement. Defendants never intended to pay Plaintiff any amount from the Refund Payment
10 Agreement or any further amounts on the investment. The investments were not real and were
11 fraudulent.
12

13 4.4 Subsequently, Defendants paid Plaintiff \$60,000 to not enter a judgment against
14 Defendant Water Station Management. However, when Defendant Water Station Management
15 failed to pay the remaining \$220,000 a judgment entered.
16

17 4.5 Plaintiff has been damaged by Defendants’ failure to make the payment in the
18 amount of \$220,000. This being a liquidated sum and not a consumer debt, Plaintiff also
19 demands statutory prejudgment interest at 12% per annum from April 30, 2023, until the date
20 that the payment is made in full.
21

22 *As a second cause of action against Defendants, Plaintiff alleges as follows:*

23 **(Non-Dischargeability Based Upon 11 U.S.C. § 727)**

24 4.6 Plaintiff restates and realleges paragraphs 1.1 through 4.5 as if pled herein.

25 4.7 Plaintiff entered into Refund Payment Agreement with Defendants on April 4,
26 2023. The agreement entitled Plaintiff to a refund of \$280,000 in money that had previously paid
27 to Defendants by Plaintiff related to a vending machines business opportunity. The Refund
28

1 Payment Agreement anticipated a “closing” date of April 30, 2023, for payment. Defendants had
2 a duty to make that payment on or before April 30, 2023, or to negotiate a different closing date.

3 4.8 No payment has occurred from Defendants to Plaintiff in any amount related to
4 the Refund Payment Agreement; therefore, Defendants is in breach of the Refund Payment
5 Agreement. Defendants never intended to pay Plaintiff any amount from the Refund Payment
6 Agreement or any further amounts on the investment. The investments were not real and were
7 fraudulent.
8

9 4.9 Subsequently, Defendants paid Plaintiff \$60,000 to not enter a judgment against
10 Defendant Water Station Management. However, when Defendant Water Station Management
11 failed to pay the remaining \$220,000 a judgment entered.
12

13 4.10 Plaintiff has been damaged by Defendants’ failure to make the payment in the
14 amount of \$220,000. This being a liquidated sum and not a consumer debt, Plaintiff also
15 demands statutory prejudgment interest at 12% per annum from April 30, 2023, until the date
16 that the payment is made in full.
17

18 19 **5.0 PRAYER FOR RELIEF**

20 5.1 WHEREFORE, Plaintiffs prays as follows:

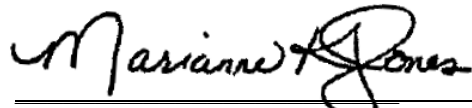
21 a) For judgment against Defendants for in an amount to be proven at trial but
22 approximately in the amount of \$220,000.
23

24 b) For statutory prejudgment interest beginning on April 30, 2023, to the date of full
25 payment.
26

27 c) For all other relief the Court deems just and equitable.
28

1 DATED this 4th day of February 2025.
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4 ENRIGHT LAW APC

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7 MARIANNE K. JONES, WSBA #21034

8 *Attorney for Plaintiff*

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